

SPECIFIC GUIDELINES

**GUIDELINES IN THE PREPARATION OF FY 2016 GOCC
BUDGET PROPOSALS AND OTHER BUDGETARY ITEMS**

- 1.0 Proper Disaggregation of GOCC Budget Proposal
 - 1.1 GOCCs shall use DBM Form 706 to reflect the FY 2016 budget proposal under their P/A/Ps. They shall prepare budget proposals that are implementation ready and well-coordinated.
- 2.0 Adoption of Program Convergence Budgeting (PB) for Inter-agency Efforts
 - 2.1 The priority inter-agency programs supportive of the key targets under the PDP and the President's Social Contract as well as the lead and participating departments/agencies that shall implement these identified priority programs mentioned in this CBM.
 - 2.2 The participating GOCC identified in Annex E shall:
 - Actively participate in the meetings called by the lead department/agency;
 - Submit to the lead department/agency the assumptions/criteria for prioritization, targets, beneficiaries, focus areas and implementation timelines and resources corresponding to their contribution to the program using DBM Form 707 (Program Expenditure Plan for existing and new proposals).
 - 2.3 The lead and participating departments/agencies shall:
 - Coordinate the activities of the different programs by sequencing the different interventions, such as infrastructure, education, health, enterprises, among others; and
 - Secure active participation of the Regional Offices in budget planning of priority programs. Central offices of departments shall guide and coordinate with their Regional Offices in determining the focus areas in each region, intervention required, and the intensity of resource allocation. This approach will provide for a more targeted and rational basis of resource allocation for discussion with the RDC, LGUs, and ROs of agencies.

- 2.4 The lead departments shall:
- Provide guidelines/advisories to all participating agencies, as necessary;
 - Convene all the participating agencies to ensure consistency on assumptions, targets, beneficiaries, focus areas, and implementation timelines and resources; and
 - Consolidate the targets and funding requirements of identified programs for priority allocation for submission to DBM;
- 2.5 DBM shall inform the lead and participating agencies/GOCCs of the schedule of the Technical Budget Hearings to discuss the program components and implications of various funding requirements.
- 3.0 Adoption of Outcome-based Performance-Informed Budgeting (PIB)
- 3.1 The outcome based PIB shall continue to be adopted based on a Program Management Framework and consider the linkage of the PAPs to Major Final Outcomes (MF Outcomes), Department Outcomes, Sectoral Outcomes and the President’s Key Results Areas (KRAs).
- 4.0 Use of Zero-Based Budgeting (ZBB) Results
- 4.1 The ZBB Study results will be used as inputs in reviewing the allocations to major budgetary programs of selected departments. These studies are published in the DBM website.
- 5.0 Climate Change Expenditure (CCE) Tagging
- 5.1 Agencies/GOCCs shall identify and tag their proposed climate change adaptation to major budgetary programs/projects using BP Form 712 based on the DBM and CCC Joint Memorandum Circular to be issued separately.
- 6.0 Consultations of GOCC Regional Offices (ROs) with LGUs and various stakeholders.
- 6.1 Region-wide Infrastructure Project
- 6.1.1 The NEDA shall provide list of priority programs and projects included in the Public Investment Program (PIP) or Three-year Rolling Infrastructure Program (TRIP) if already available. The TRIP aims to synchronize and streamline the infrastructure planning, programming and budgeting processes of the government as well as ensure that the respective agencies budget ceilings are allocated to priority infrastructure programs/projects that are responsive to the Philippine Development Plan (PDP) outcomes and Results Matrices (RM) targets.

6.1.2 RDCs shall :

- Determine priority region-wide infrastructure projects and regionally-initiated priority socio-economic projects supportive of the Philippine Development Plan and Regional Development Plans based on the PIP, RDIP or TRIP prepared by NEDA.
- Submit recommendations to GOCC Central Offices (COs), copy furnished the GOCC ROs, on the relevance, efficacy and propriety of newly-identified and prioritized regional infrastructure and socio-economic programs and projects.
- Monitor and provide feedback on the impact and gaps of national government agency's region-wide ongoing programs/ projects in their localities, as well as suggest needed improvements in agency programs/projects.

6.1.3 CSOs, Private Sector and Other Stakeholders

- Consultations with partner and interested CSOs and other stakeholders shall be undertaken observing the principles of Transparency, Accountability, Integrity, Partnership, Consultation and Mutual Empowerment, Respect for internal processes, Sustainability and National Interest.
- GOCC ROs and COs shall enjoin the CSOs and other stakeholders to assess and evaluate the existing programs and projects of GOCCs and submit a report to DBM containing the feedback on the existing P/A/Ps of GOCCs, using **Annex F**.

6.1.4 After the conduct of consultations with stakeholders, the GOCC shall give priority in the budget allocation, the project requests from all cities/municipalities.

6.1.4.1 GOCC RO shall:

- Incorporate the projects requested by the target LGUs;
- Submit the regional budget proposal to the GOCC CO for incorporation into the budget of the department and for resolution of problem areas; and
- Meet with their counterparts from the other national agencies in the region or province to discuss the convergence of the delivery of services to the target LGUs.

6.1.4.2 GOCC CO shall:

- Consolidate and submit to DBM using **Annex F**, the reports of the different regional offices incorporating the RDC recommendation and feedback (if deemed necessary).
- Certify the acceptance or non-acceptance of the RDC recommendation and state the reason in the event of non acceptance.
- Provide RDCs and DBM-ROs with feedback on RDC recommendations on programs/projects which are to be incorporated in the budget submission to DBM.
- Inform the RDC concerned of those programs/projects which are finally submitted for congressional approval.

6.2 Bottom up Budgeting (BuB)

6.2.1 Consistent with DBM-DILG-DSWD-NAPC JMC No. 5 dated October 1, 2014, the following are the participating departments/GOCCs for the FY 2016 BuB exercise:

- a. Department of Agriculture (OSEC and BFAR)
- b. Department of Education
- c. Department of Energy
- d. Department of Environment and Natural Resources
- e. Department of Health
- f. Department of the Interior and Local Government
- g. Department of Labor and Employment-OSEC and TESDA
- h. Department of Social Welfare and Development
- i. Department of Tourism
- j. Department of Trade and Industry
- k. National Commission on Indigenous Peoples
- l. National Electrification Administration
- m. National Irrigation Authority

6.2.2 NEA and NIA shall ensure complementation between national and LGU projects by closely coordinating with target LGUs. In accordance with joint BuB guidelines, the validated/qualified LGU projects shall be integrated in the GOCC budget proposal. Disclosure shall be made on the proposed LGU counterpart funds. The GOCC concerned shall identify/present each BuB project in the relevant budget forms (whichever is applicable) to facilitate tracking and monitoring in all phases of budgeting.

6.2.2.1 LGUs, i.e., all Cities/Municipalities on BuB Projects

- GOCC ROs thru the Local Poverty Reduction Action Team (LPRAT) and Regional Poverty Reduction

Action Team (RPRAT) shall provide technical assistance in the formulation of plans and identification of poverty reduction projects and strategies.

- Convergent agencies together with the Human Development and Poverty Reduction Cluster (HDPRC) and DILG shall orient and discuss the plans with the municipal core teams, providing guidance on the conduct of grassroots participatory budget preparation and execution process.

7.0 Information Communication Technology (ICT) Requirements

- 7.1 All ICT-pertinent budgetary requests shall be included in the GOCC budget proposals embodied in the BP Forms contained in this Budget Call.
- 7.2 GOCC submissions providing information on both existing and proposed ICT-related resources, programs, and projects, among other items, shall constitute a primary portion of GOCC participation to MITHI. All submissions shall be subject to the review and evaluation of the MITHI Steering Committee. The evaluated and approved programs and projects will be infused into the E-government Master Plan currently being formulated by the DOST-ICTO. It is also understood that the same are consistent with the five (5) KRAs of the Administration and the PDP 2011-2016.
- 7.3 The ISSP as required for submission to the DOST shall continue to be mandatory, except that the DOST may consider GOCC participation in MITHI and the corollary submission as sufficient compliance with the requirement.
- 7.4 The DBM Executive Review Board (ERB) shall have final authority to make decisions on programs and projects in relation to budgetary allocation, except that programs and projects that were approved under the auspices of MITHI shall be considered as evaluated and endorsed by recognized technically proficient government stakeholders, thereby facilitating ERB examination.

8.0 Other Public Financial Management Policy

8.1 Unified Accounts Code Structure (UACS)

- 8.1.1 Pursuant to COA-DBM-DOF Joint Circular 2014-1 which took effect on January 1, 2015, the UACS MFO/PAP code was enhanced to 15 digits that include the Sector Outcome and Horizontal Program Codes. All P/A/Ps shall utilize the 3-digit sub-sector code for Sector Outcome and the 2-digit horizontal program code as specified in the Joint Circular. The entire 15 digit MFO/PAP code is required to be utilized and included in BP Form 700.

8.1.2 In line with the Government's actions to improve reporting of the geographical location of financial information, the GOCCs budget proposal shall not include location coding. To accomplish this, the UACS Location Code for Region and Province is required for all Capital Outlays (GASS and STO), all Operations P/A/Ps, and all Projects P/A/Ps. The location code utilized for these shall be the recipient (beneficiary region and province) of these expenditures. The UACS Location Code is required to be utilized and included in BP Form 700.